

**MORGAN COUNTY PUBLIC SCHOOL DISTRICT**  
**STATEMENT OF NET ASSETS**  
**DISTRICT WIDE**

As of June 30, 2012

<b>ASSETS</b>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>Current Assets</b>			
Cash and cash equivalents	\$ 11,633,200	\$ 242,346	\$ 11,875,546
Investments	2,075,000	50,000	2,125,000
Other receivables	5,239,254	14,411	5,253,665
Inventory	-	38,395	38,395
Bond Issuance Cost	326,896	-	326,896
<b>Total current assets</b>	<u>19,274,350</u>	<u>345,152</u>	<u>19,619,502</u>
<b>Non-current Assets</b>			
Land	1,089,020	-	1,089,020
Land Improvements	125,313	-	125,313
Buildings and improvements	24,997,881	-	24,997,881
Furniture and equipment	8,461,572	791,145	9,252,717
Construction in progress	2,352,519	-	2,352,519
Less: Accumulated depreciation	(14,595,358)	(542,636)	(15,137,994)
<b>Total non-current assets</b>	<u>22,430,947</u>	<u>248,509</u>	<u>22,679,456</u>
<b>Total assets</b>	<u>\$ 41,705,297</u>	<u>\$ 593,661</u>	<u>\$ 42,298,958</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable	\$ 447,977	\$ 5,712	\$ 453,689
Deferred revenue	109,296	4,646	113,942
Interest payable	650,493	-	650,493
Current portion of long-term obligations	994,000	-	994,000
Current portion of long-term capital lease obligations	182,809	-	182,809
Current portion of sick-leave	131,123	3,051	134,174
<b>Total current liabilities</b>	<u>2,515,698</u>	<u>13,409</u>	<u>2,529,107</u>
<b>Non-current Liabilities</b>			
Non-current portion of long-term obligation	18,991,000	-	18,991,000
Non-current portion of long-term capital lease obligations	915,156	-	915,156
Non-current portion of accrued sick leave	130,018	-	130,018
<b>Total non-current liabilities</b>	<u>20,036,174</u>	<u>-</u>	<u>20,036,174</u>
<b>Total liabilities</b>	<u>\$ 22,551,872</u>	<u>\$ 13,409</u>	<u>\$ 22,565,281</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	\$ 1,347,982	\$ 248,509	\$ 1,596,491
Restricted for:			
Capital projects	12,690,537	-	12,690,537
New Assets	-	290,978	290,978
Other	144,681	40,765	185,446
Unrestricted	4,970,225	-	4,970,225
<b>Total net assets</b>	<u>19,153,425</u>	<u>580,252</u>	<u>19,733,677</u>
<b>Total liabilities and net assets</b>	<u>\$ 41,705,297</u>	<u>\$ 593,661</u>	<u>\$ 42,298,958</u>

See independent auditor's report and accompanying notes to the basic financial statements.

**MORGAN COUNTY PUBLIC SCHOOL DISTRICT**  
**STATEMENT OF ACTIVITIES**  
**DISTRICT WIDE**

For the year ended June 30, 2012

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental Activities</b>							
Instruction	\$ 9,840,992	\$ -	\$ 2,394,867	\$ -	\$ (7,446,125)	\$ -	\$ (7,446,125)
Support services:							
Student	919,616	-	162,693	-	(756,923)		(756,923)
Instruction staff	953,963	-	397,625	-	(556,338)		(556,338)
District administrative	597,130	-	2,525	-	(594,605)		(594,605)
School administrative	1,035,350	-	97,773	-	(937,577)		(937,577)
Business	451,112	-	26,558	-	(424,554)		(424,554)
Plant operation and maintenance	265,119	-	4,240	-	(260,879)		(260,879)
Student transportation	1,705,016	-	18,486	-	(1,686,530)		(1,686,530)
Facilities acquisition and construction	2,752,969	-	-	-	(2,752,969)		(2,752,969)
Community service activities	342,503	-	322,396	-	(20,107)		(20,107)
Other	-	-	-	478,754	478,754		478,754
Interest on long-term debt	650,492	-	-	275,131	(375,361)		(375,361)
<b>Total governmental activities</b>	<b>19,514,262</b>	<b>-</b>	<b>3,427,163</b>	<b>753,885</b>	<b>(15,333,214)</b>		<b>(15,333,214)</b>
<b>Business-type Activities</b>							
Food service	1,510,772	232,854	1,222,932	-	-	(54,986)	(54,986)
Community Education	795	210	-	-	-	(585)	(585)
<b>Total business-type activities</b>	<b>1,511,567</b>	<b>233,064</b>	<b>1,222,932</b>	<b>-</b>	<b>-</b>	<b>(55,571)</b>	<b>(55,571)</b>
<b>Total school district</b>	<b>\$ 21,025,829</b>	<b>\$ 233,064</b>	<b>\$ 4,650,095</b>	<b>\$ 753,885</b>	<b>\$ (15,333,214)</b>	<b>\$ (55,571)</b>	<b>\$ (15,388,785)</b>

**General Revenues**

Property taxes	\$ 1,294,198	\$ -	\$ 1,294,198
Delinquent property tax	116,597		116,597
Motor vehicle taxes	348,295	-	348,295
Unmined minerals tax	5,038	-	5,038
Utility taxes	604,070	-	604,070
Other taxes	175,924	-	175,924
Investment earnings	19,519	785	20,304
State aid formula grants	13,363,610	-	13,363,610
Gain on sale of fixed assets	1,822,656	(474)	1,822,182
Miscellaneous	3,088,273	-	3,088,273
<b>Total general revenues</b>	<b>20,838,180</b>	<b>311</b>	<b>20,838,491</b>
Change in net assets	5,504,966	(55,260)	5,449,706
Net assets - beginning	13,648,459	635,512	14,283,971
Net assets - ending	<b>\$ 19,153,425</b>	<b>\$ 580,252</b>	<b>\$ 19,733,677</b>

See independent auditor's report and accompanying notes to the basic financial statements.

**MORGAN COUNTY PUBLIC SCHOOL DISTRICT**

**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**

As of June 30, 2012

	<u>General Fund</u>	<u>Special Revenue</u>	<u>Construction Fund</u>	<u>Other Governmental</u>	<u>Total Governmental</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 575,119	\$ (73,210)	\$ 10,786,471	\$ 344,820	\$ 11,633,200
Investments	1,575,000	-	-	500,000	2,075,000
Other receivables	3,594,975	191,811	1,452,468	-	5,239,254
<b>Total assets</b>	<u>\$ 5,745,094</u>	<u>\$ 118,601</u>	<u>\$ 12,238,939</u>	<u>\$ 844,820</u>	<u>\$ 18,947,454</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable	\$ 45,450	\$ 9,305	\$ 393,222	\$ -	\$ 447,977
Deferred revenue	-	109,296	-	-	109,296
Other current liabilities	3,927	-	-	-	3,927
<b>Total liabilities</b>	<u>49,377</u>	<u>118,601</u>	<u>393,222</u>	<u>-</u>	<u>561,200</u>
<b>Fund Balances</b>					
Restricted:					
Sick Leave Payable	\$ 131,123	\$ -	\$ -	\$ -	\$ 131,123
Future Construction	-	-	11,845,717	-	11,845,717
SFCC Escrow- Current	-	-	-	844,820	844,820
Committed:					
Site Base CFWD	13,558	-	-	-	13,558
Unassigned:	5,551,036	-	-	-	5,551,036
<b>Total fund balances</b>	<u>5,695,717</u>	<u>-</u>	<u>11,845,717</u>	<u>844,820</u>	<u>18,386,254</u>
<b>Total liabilities and fund balances</b>	<u>\$ 5,745,094</u>	<u>\$ 118,601</u>	<u>\$ 12,238,939</u>	<u>\$ 844,820</u>	<u>\$ 18,947,454</u>

See independent auditor's report and accompanying notes to the basic financial statements.

**MORGAN COUNTY PUBLIC SCHOOL DISTRICT**  
**RECONCILIATION OF GOVERNMENTAL FUNDS -**  
**BALANCE SHEET TO THE STATEMENT OF NET ASSETS**

June 30, 2011

Amounts reported for governmental activities in the statement of net assets are different because:

Total Fund Balance-Governmental Funds	\$18,386,254
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Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental:

Cost of capital	\$	34,673,786	
Construction in progress		2,352,519	
Accumulated depreciation		(14,595,358)	
Bond Issuance Cost		<u>326,896</u>	22,757,843

Long-term liabilities including bonds payable are not due and payable in the current period and therefore are not reported as liabilities in the funds:

Bonds payable		(19,985,000)	
Capital lease payable		(1,097,965)	
Interest payable		(650,493)	
Sick leave		<u>(257,214)</u>	<u>(21,990,672)</u>

Total Net Assets-Governmental Funds	<u><u>\$19,153,425</u></u>
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See independent auditor's report and accompanying notes to the basic financial statements.

**MORGAN COUNTY PUBLIC SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**

For the year ended June 30, 2012

	General Fund	Special Revenue	Construction Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
From local sources					
Property taxes	\$ 1,220,606	\$ -	\$ -	\$ 190,189	\$ 1,410,795
Motor vehicle taxes	348,295	-	-	-	348,295
Utilities taxes	604,070	-	-	-	604,070
Unmined minerals taxes	5,038	-	-	-	5,038
Other taxes	175,924	-	-	-	175,924
Earnings on investments	19,139	129	-	251	19,519
Other local revenues	127,822	54,296	-	-	182,118
State sources					
SEEK	9,666,737	-	-	662,722	10,329,459
On Behalf Payments	2,856,403	-	-	753,885	3,610,288
Other	107,062	617,249	-	-	724,311
Federal - indirect	70,686	2,755,618	-	-	2,826,304
Other revenues	3,547,848	-	1,952,468	-	5,500,316
<b>Total revenues</b>	<b>18,749,630</b>	<b>3,427,292</b>	<b>1,952,468</b>	<b>1,607,047</b>	<b>25,736,437</b>
<b>Expenditures</b>					
Instruction	7,964,291	2,417,134	-	-	10,381,425
Support services					
Student	751,486	162,693	-	-	914,179
Instruction staff	505,627	397,625	-	-	903,252
District administration	617,385	2,525	-	-	619,910
School administration	915,520	97,773	-	-	1,013,293
Business	452,895	26,558	-	-	479,453
Plant operation and maintenance	2,278,503	4,240	-	27,318	2,310,061
Student transportation	1,498,085	18,486	-	-	1,516,571
Facilities acquisition and construction	5,277	-	2,747,692	-	2,752,969
Community service activities	20,107	322,396	-	-	342,503
Debt service	223,531	-	-	1,155,550	1,379,081
<b>Total expenditures</b>	<b>15,232,707</b>	<b>3,449,430</b>	<b>2,747,692</b>	<b>1,182,868</b>	<b>22,612,697</b>
<b>Excess (deficit) of revenues over expenditures</b>	<b>3,516,923</b>	<b>(22,138)</b>	<b>(795,224)</b>	<b>424,179</b>	<b>3,123,740</b>
<b>Other Financing Sources (Uses)</b>					
Proceeds from sale of bonds	-	-	11,188,740	-	11,188,740
Operating transfers in	48,052	22,138	76,148	-	146,338
Operating transfers out	(22,138)	-	-	(124,200)	(146,338)
<b>Total other financing sources (uses)</b>	<b>25,914</b>	<b>22,138</b>	<b>11,264,888</b>	<b>(124,200)</b>	<b>11,188,740</b>
<b>Excess (deficit) of revenues and other financing sources over expenditures and other financing uses</b>	<b>3,542,837</b>	<b>-</b>	<b>10,469,664</b>	<b>299,979</b>	<b>14,312,480</b>
<b>Net change in fund balances</b>	<b>3,542,837</b>	<b>-</b>	<b>10,469,664</b>	<b>299,979</b>	<b>14,312,480</b>
<b>Fund balance, July 1, 2011</b>	<b>2,152,880</b>	<b>-</b>	<b>1,376,053</b>	<b>544,841</b>	<b>4,073,774</b>
<b>Fund balance, June 30, 2012</b>	<b>\$ 5,695,717</b>	<b>\$ -</b>	<b>\$ 11,845,717</b>	<b>\$ 844,820</b>	<b>\$ 18,386,254</b>

See independent auditor's report and accompanying notes to the basic financial statements.

**MORGAN COUNTY PUBLIC SCHOOLS DISTRICT**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF**  
**REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**TO THE STATEMENT OF ACTIVITIES**

For the year ended June 30, 2012

Total net change in fund balances- governmental funds	\$ 14,312,480
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Amounts reported for governmental activities in the statement of net assets are different because:

Governmental funds report capital outlays as expenditures because they use current financial resources. However in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeds capital outlays in the period.	2,329,320
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In the statement of activities, only the gain on the sale of asset is reported, whereas in the governmental funds, the entire proceeds from the sale increase financial resources. Thus, the change in net assets differ from the change in fund balances by the basis of the asset sold.	(717,210)
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Bond proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net assets however issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net assets. This is the amount by which bond proceeds exceed principal payments.	(10,456,282)
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In the statement of activities, certain operating expenses such as compensated absences (sick leave), are measured by the amount earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year special termination benefits paid exceed the amounts earned.	40,527
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Interest on long-term debt in the statement of activities differs from the amount reported in governmental funds because interest is recorded as an expenditure in the fund when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The additional interest reported in the statement of activities is the net result of accrued interest on bonds.	<u>(3,869)</u>
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Change in Net Assets - Governmental Funds	<u><u>\$ 5,504,966</u></u>
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See independent auditor's report and accompanying notes to the basic financial statements.

**MORGAN COUNTY PUBLIC SCHOOL DISTRICT**

**STATEMENT OF NET ASSETS**

**PROPRIETARY FUNDS**

As of June 30, 2012

<b>ASSETS</b>	<b>Food Service Fund</b>	<b>Other Enterprise Funds</b>	<b>Total</b>
	<hr/>	<hr/>	<hr/>
<b>Current Assets</b>			
Cash and cash equivalents	\$ 242,251	\$ 95	\$ 242,346
Investments	50,000	-	50,000
Other receivables	14,411	-	14,411
Inventory	38,395	-	38,395
<b>Total current assets</b>	<hr/> 345,057	<hr/> 95	<hr/> 345,152
<b>Noncurrent Assets</b>			
Buildings and improvements	-	-	-
Furniture and equipment	791,145	-	791,145
Less: Accumulated depreciation	(542,636)	-	(542,636)
<b>Total noncurrent assets</b>	<hr/> 248,509	<hr/> -	<hr/> 248,509
<b>Total assets</b>	<hr/> <hr/> \$ 593,566	<hr/> <hr/> \$ 95	<hr/> <hr/> \$ 593,661
 <b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable	\$ 5,712	\$ -	\$ 5,712
Deferred Revenue	4,646	-	4,646
<b>Total current liabilities</b>	<hr/> 10,358	<hr/> -	<hr/> 10,358
<b>Total liabilities</b>	<hr/> 10,358	<hr/> -	<hr/> 10,358
 <b>NET ASSETS</b>			
Invested in capital assets, net of related debt	248,509	-	248,509
Restricted for:			
New Assets	293,934	95	294,029
Sick Leave Payable	3,051	-	3,051
Inventory	37,714	-	37,714
<b>Total net assets</b>	<hr/> 583,208	<hr/> 95	<hr/> 583,303
<b>Total liabilities and net assets</b>	<hr/> <hr/> \$ 593,566	<hr/> <hr/> \$ 95	<hr/> <hr/> \$ 593,661

See independent auditor's report and accompanying notes to the basic financial statements.

**MORGAN COUNTY PUBLIC SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS**  
**PROPRIETARY FUNDS**

For the year ended June 30, 2012

	Food Service Fund	Other Enterprise Funds	Total
<b>Operating Revenues</b>			
Service sales	\$ 222,833	\$ 210	\$ 223,043
Other operating revenue	10,021	-	10,021
<b>Total operating revenues</b>	<u>232,854</u>	<u>210</u>	<u>233,064</u>
<b>Operating Expenses</b>			
Salaries and wages	738,556	458	739,014
Professional and contract services	58,177	-	58,177
Supplies and materials	674,981	337	675,318
Depreciation	36,852	-	36,852
Other operating expenses	516	-	516
<b>Total operating expenses</b>	<u>1,509,082</u>	<u>795</u>	<u>1,509,877</u>
<b>Operating income (loss)</b>	<u>(1,276,228)</u>	<u>(585)</u>	<u>(1,276,813)</u>
<b>Non-operating revenues (expenses)</b>			
Federal grants	985,453	-	985,453
State grants	237,479	-	237,479
Interest income	785	-	785
Gain/ (Loss) on sale of asset	(474)	-	(474)
<b>Total non-operating revenues (expenses)</b>	<u>1,223,243</u>	<u>-</u>	<u>1,223,243</u>
<b>Net income (loss)</b>	(52,985)	(585)	(53,570)
<b>Total net assets, July 1, 2011</b>	<u>636,193</u>	<u>680</u>	<u>636,873</u>
<b>Total net assets, June 30, 2012</b>	<u><u>\$ 583,208</u></u>	<u><u>\$ 95</u></u>	<u><u>\$ 583,303</u></u>

See independent auditor's report and accompanying notes to the basic financial statements.



**MORGAN COUNTY PUBLIC SCHOOL DISTRICT**

**STATEMENT OF CASH FLOWS**

**PROPRIETARY FUNDS**

For the year ended June 30, 2012

	<u>Food Service Fund</u>	<u>Other Enterprise Funds</u>	<u>Total</u>
<b>Cash Flows from Operating Activities</b>			
Cash received from service sales	\$ 249,514	\$ 210	\$ 249,724
Cash received from other activities	10,021	-	10,021
Cash payments to employees for services	(738,556)	(458)	(739,014)
Cash payments to suppliers for goods and services	(728,127)	(337)	(728,464)
<b>Net cash from operating activities</b>	<u>(1,207,664)</u>	<u>(585)</u>	<u>(1,208,249)</u>
<b>Cash Flows from Capital Financing Activities</b>			
Acquisition of capital assets	(8,346)	-	(8,346)
<b>Net cash from capital financing activities</b>	<u>(8,346)</u>	<u>-</u>	<u>(8,346)</u>
<b>Cash Flows from Noncapital Financing Activities</b>			
Non-operating grants received	1,222,932	-	1,222,932
<b>Net cash from noncapital financing activities</b>	<u>1,222,932</u>	<u>-</u>	<u>1,222,932</u>
<b>Cash Flows from Investing Activities</b>			
Interest on investments	785	-	785
<b>Net cash flows from investing activities</b>	<u>785</u>	<u>-</u>	<u>785</u>
<b>Net increase in cash and cash equivalents</b>	7,707	(585)	7,122
<b>Cash and cash equivalents - beginning</b>	234,544	680	235,224
<b>Cash and cash equivalents - ending</b>	<u>\$ 242,251</u>	<u>\$ 95</u>	<u>\$ 242,346</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>			
Operating income (loss)	\$ (1,276,228)	\$ (585)	\$ (1,276,813)
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>			
Depreciation	36,852	-	36,852
Changes in assets and liabilities:			
Receivables	22,035	-	22,035
Inventory	(681)	-	(681)
Deferred Revenue	4,646	-	4,646
Accounts payable	5,712	-	5,712
<b>Net Cash Provided by Operating Activities</b>	<u>\$ (1,207,664)</u>	<u>\$ (585)</u>	<u>\$ (1,208,249)</u>

See independent auditor's report and accompanying notes to the basic financial statements.

**MORGAN COUNTY PUBLIC SCHOOL DISTRICT**  
**STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS**

June 30, 2012

<b>ASSETS</b>	<u>Trust/Agency Fund</u>
<b>Current Assets</b>	
Due from other funds	<u>\$        159,611</u>
<b>Total assets</b>	<u><u>\$        159,611</u></u>
<b>LIABILITIES</b>	
<b>Current Liabilities</b>	
Due to school groups	<u>\$        159,611</u>
<b>Total net assets and liabilities</b>	<u><u>\$        159,611</u></u>

See independent auditor's report and accompanying notes to the basic financial statements.

**MORGAN COUNTY PUBLIC SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE- FIDUCIARY FUNDS**

For the year ended June 30, 2012

	<u>Trust/Agency Fund</u>
<b>Additions</b>	
Revenues from student activities	\$ 585,173
<b>Deduction</b>	
Non-instructional expenses	<u>(560,740)</u>
<b>Change in revenues over expenses</b>	24,433
<b>Due to school groups - beginning</b>	<u>135,178</u>
<b>Due to school groups - ending</b>	<u><u>\$ 159,611</u></u>

See independent auditor's report and accompanying notes to the basic financial statements.

**MORGAN COUNTY PUBLIC SCHOOL DISTRICT**

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

For the year ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)	Variance % Favorable (Unfavorable)
<b>REVENUES</b>					
From local sources					
Taxes					
Property taxes	\$ 1,100,000	\$ 1,100,000	\$ 1,220,606	\$ 120,606	10.96%
Motor vehicle taxes	300,000	300,000	348,295	48,295	16.10%
Utility taxes	575,000	575,000	604,070	29,070	5.06%
Unmined minerals taxes	-	-	5,038	5,038	100.00%
Other taxes	150,000	150,000	175,924	25,924	17.28%
Earnings on investments	15,000	15,000	19,139	4,139	27.59%
Other local revenues	66,280	66,280	127,822	61,542	92.85%
State Sources					
SEEK	9,675,681	9,666,737	9,666,737	-	0.00%
Other	77,450	77,450	2,963,465	2,886,015	3726.29%
Federal-Indirect	38,000	38,000	70,686	32,686	86.02%
Other	-	-	3,547,848	3,547,848	-100.00%
Inter-fund transfers	48,052	48,052	48,052	-	0.00%
Beginning Balance	1,984,919	1,984,919	2,152,880	167,961	8.46%
Less On-Behalf Payments			(2,856,403)	(2,856,403)	
<b>TOTAL REVENUES</b>	<b>14,030,382</b>	<b>14,021,438</b>	<b>18,094,159</b>	<b>4,072,721</b>	<b>29.05%</b>
<b>EXPENDITURES</b>					
Instructional	6,240,200	6,256,697	7,964,291	(1,707,594)	-27.29%
Student services					
Student	731,232	706,489	751,486	(44,997)	-6.37%
Instructional staff	370,035	401,000	505,627	(104,627)	-26.09%
District administrative	484,944	468,937	617,385	(148,448)	-31.66%
School administrative	691,827	720,066	915,520	(195,454)	-27.14%
Business	322,157	324,676	452,895	(128,219)	-39.49%
Plant operation and maintenance	2,185,240	2,225,380	2,278,503	(53,123)	-2.39%
Student transportation	1,377,449	1,382,417	1,498,085	(115,668)	-8.37%
Facilities acquisition and construction	-	-	5,277	(5,277)	-100.00%
Community Services	-	-	20,107	(20,107)	-100.00%
Debt service	223,531	223,531	223,531	-	0.00%
Inter-fund transfers	47,400	47,400	22,138	25,262	53.30%
Contingency	1,356,367	1,264,845	-	1,264,845	100.00%
Less On-Behalf Payments	-	-	(2,856,403)	2,856,403	
<b>TOTAL EXPENDITURES</b>	<b>14,030,382</b>	<b>14,021,438</b>	<b>12,398,442</b>	<b>1,622,996</b>	<b>11.58%</b>
<b>Excess (Deficit) of Revenues Over Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,695,717</b>	<b>\$ 5,695,717</b>	<b>40.62%</b>

NOTE: BUDGET INFORMATION IS DERIVED FROM THE DISTRICT'S ANNUAL FINANCIAL REPORT, WHICH MAY VARY FROM THE BASIC FINANCIAL STATEMENTS. THE VARIATIONS ARE PRIMARILY DUE TO PRESENTATION OF OTHER FINANCING SOURCES (USES) OF FUNDS AND TRANSFERS.

See independent auditor's report and accompanying notes to the basic financial statements.

**MORGAN COUNTY PUBLIC SCHOOL DISTRICT**  
**SPECIAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**

For the year ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)	Variance % Favorable (Unfavorable)
<b>REVENUES</b>					
From local sources					
Earnings on investments	\$ -	\$ 45	\$ 129	\$ 84	186.67%
Other local revenues	45,317	101,449	54,296	(47,153)	-46.48%
Intergovernmental - state	563,843	599,683	617,249	17,566	2.93%
Intergovernmental - Federal	2,014,899	1,995,314	2,755,618	760,304	38.10%
Inter-fund transfers	47,400	37,138	22,138	(15,000)	-40.39%
<b>TOTAL REVENUES</b>	<b>2,671,459</b>	<b>2,733,629</b>	<b>3,449,430</b>	<b>715,801</b>	<b>26.19%</b>
<b>EXPENDITURES</b>					
Instructional	1,965,462	1,942,390	2,417,134	(474,744)	-24.44%
Student services:					
Student	63,929	82,262	162,693	(80,431)	-97.77%
Instructional staff	277,842	288,167	397,625	(109,458)	-37.98%
District	-	37,566	2,525	35,041	93.28%
School administrative	-	-	97,773	(97,773)	-100.00%
Business	13,441	20,500	26,558	(6,058)	-29.55%
Plant operation and maintenance	-	5,800	4,240	1,560	26.90%
Student transportation	20,983	23,480	18,486	4,994	21.27%
Community services	329,802	333,464	322,396	11,068	3.32%
<b>TOTAL EXPENDITURES</b>	<b>2,671,459</b>	<b>2,733,629</b>	<b>3,449,430</b>	<b>(715,801)</b>	<b>-26.19%</b>
<b>Excess (Deficit) of Revenues Over Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.00%</b>

NOTE: BUDGET INFORMATION IS DERIVED FROM THE DISTRICT'S ANNUAL FINANCIAL REPORT, WHICH MAY VARY FROM THE BASIC FINANCIAL STATEMENTS. THE VARIATIONS ARE PRIMARILY DUE TO PRESENTATION OF OTHER FINANCING SOURCES (USES) OF FUNDS AND TRANSFERS.

See independent auditor's report and accompanying notes to the basic financial statements.

**MORGAN COUNTY PUBLIC SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS**

As of June 30, 2012

	<u>Building Fund</u>	<u>Capital Outlay Fund</u>	<u>Total Non-Major Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 289,523	\$ 55,297	\$ 344,820
Investments	500,000	-	500,000
<b>Total assets</b>	<u><u>\$ 789,523</u></u>	<u><u>\$ 55,297</u></u>	<u><u>\$ 844,820</u></u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Fund Balances</b>			
Restricted:			
Restricted Other Prior Year	\$ 262,898	\$ 37,081	\$ 299,979
Restricted for SFCC Escrow	526,625	18,216	544,841
<b>Total fund balances</b>	<u><u>\$ 789,523</u></u>	<u><u>\$ 55,297</u></u>	<u><u>\$ 844,820</u></u>

See independent auditor's report and accompanying notes to the basic financial statements.

**MORGAN COUNTY PUBLIC SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**

For the year ended June 30, 2012

	Building Fund	Capital Outlay Fund	Debt Service Fund	Total Non-major Govt. Funds
<b>Revenues</b>				
From local sources				
Property taxes	\$ 190,189	\$ -	\$ -	\$ 190,189
Earning on Investments	251	-	-	251
State sources				
SEEK	474,123	188,599	-	662,722
Other	-	-	753,885	753,885
<b>Total revenues</b>	<u>664,563</u>	<u>188,599</u>	<u>753,885</u>	<u>1,607,047</u>
<b>Expenditures</b>				
Support services				
Plant operation and maintenance	-	27,318	-	27,318
Debt service	401,665	-	753,885	1,155,550
<b>Total expenditures</b>	<u>401,665</u>	<u>27,318</u>	<u>753,885</u>	<u>1,182,868</u>
<b>Excess (deficit) of revenues over expenditures</b>	<u>262,898</u>	<u>161,281</u>	<u>-</u>	<u>424,179</u>
<b>Other Financing Sources (Uses)</b>				
Operating transfers out	-	(124,200)	-	(124,200)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(124,200)</u>	<u>-</u>	<u>(124,200)</u>
<b>Net change in fund balances</b>	262,898	37,081	-	299,979
<b>Fund balance, July 1, 2011</b>	<u>526,625</u>	<u>18,216</u>	<u>-</u>	<u>544,841</u>
<b>Fund balance, June 30, 2012</b>	<u>\$ 789,523</u>	<u>\$ 55,297</u>	<u>\$ -</u>	<u>\$ 844,820</u>

See independent auditor's report and accompanying notes to the basic financial statements.

**MORGAN COUNTY PUBLIC SCHOOL DISTRICT**  
**MORGAN COUNTY HIGH SCHOOL ACTIVITY FUND**  
**ALL FUNDS COMBINED**  
**STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE**

For the year ended June 30, 2012

Individual Funds	Cash Balance June 30, 2011	Receipts	Disburse- ments	Transfers In/Out	Ending Cash and Fund Balance June 30, 2012
Academic Team	\$ 67	\$ -	\$ (67)	\$ -	\$ -
Adam/Williams	-	1,174	(939)	-	235
AP English III	114	909	(716)	-	307
Arts Club	2,588	120	(1,392)	-	1,316
Athletics	46	63,268	(52,377)	(9,917)	1,020
Band	2,353	22,519	(20,977)	143	4,038
Baseball	1,599	4,620	(5,516)	1,000	1,703
Bookstore	1,497	-	-	-	1,497
Boys Basketball	849	655	(1,474)	1,000	1,030
Boys Golf	-	200	(1,120)	1,000	80
Cheerleaders	1,967	9,647	(8,694)	-	2,920
Class of 2014	3,026	-	-	-	3,026
Class of 2011	1,281	-	(1,217)	(64)	-
Class of 2012	13,245	33,213	(46,118)	(62)	278
Class of 2013	3,721	13,489	(14,748)	139	2,601
Color Guard	68	-	-	(68)	-
Concession/Athletic	149	30,770	(13,754)	(5,000)	12,165
Cross Country	63	775	(858)	1,500	1,480
Dance Club	91	-	-	(91)	-
F.C.C.L.A	364	914	(874)	(18)	386
Fellowship of Christain Athletics	310	5	-	-	315
Future Business Leaders of America	-	510	(515)	5	-
Future Educators Association	-	70	(50)	(5)	15
Future Farmers of America	3,490	29,718	(30,017)	-	3,191
Football	-	-	(3,485)	3,500	15
Girls Basketball	42	5,374	(5,544)	1,000	872
Girls Golf	-	1,078	(1,956)	1,000	122
Home Economics	96	390	(503)	17	-
Interact Club	-	2,328	(2,302)	-	26
Juniorettes	1,106	75	-	-	1,181
Lance Teachers	2	429	(324)	-	107
Library	437	41	(104)	-	374
National Honor Society	2,436	490	(1,077)	-	1,849
Office	2,150	229	(1,651)	-	728
Pepsi Teachers	47	2,342	(1,369)	(76)	944
Project Prom	408	500	(272)	91	727
Quarterback Club	9,325	29,030	(23,064)	-	15,291
School Supply Club	2,396	10,056	(8,340)	(11)	4,101
Softball	1,270	4,830	(6,391)	1,000	709
Spanish Club	100	1,778	(1,049)	-	829
Student Council	1,776	1,698	(1,110)	-	2,364
Students Against Drunk Drivers	1,616	47	(361)	201	1,503
Teachers Account	205	80	(200)	-	85
Technology Student Association	618	2,435	(2,132)	-	921
Tennis	1,494	6,451	(7,627)	2,000	2,318
Track Club	1,363	-	(2,359)	1,000	4
VO-AG	52	200	(69)	-	183
Volleyball	181	2,069	(2,236)	1,000	1,014
Weight Lifting Club	83	-	-	(83)	-
Y-Club	222	-	-	(222)	-
Yearbook	1,597	3,000	(2,506)	20	2,111
Youth Service	304	2,459	(421)	1	2,343
Totals	\$ 66,214	\$ 289,985	\$ (277,875)	\$ -	\$ 78,324

See independent auditor's report and accompanying notes to the basic financial statements.



**MORGAN COUNTY PUBLIC SCHOOL DISTRICT**  
**ELEMENTARY AND MIDDLE SCHOOLS ACTIVITY FUNDS**  
**ALL FUNDS COMBINED**  
**STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE**

For the year ended June 30, 2012

Schools	Cash Balance June 30, 2011	Receipts	Disburse- ments	Cash Balance And Fund Balance June 30, 2012
Elementary				
East Valley	\$ 8,524	\$ 34,489	\$ (34,820)	\$ 8,193
Ezel	9,563	18,711	(22,223)	6,051
Central	7,567	67,234	(66,677)	8,124
West Liberty	2,420	37,173	(27,745)	11,848
Middle				
Morgan County	40,890	137,581	(131,400)	47,071
Total	<u>\$ 68,964</u>	<u>\$ 295,188</u>	<u>\$ (282,865)</u>	<u>\$ 81,287</u>

See independent auditor's report and accompanying notes to the basic financial statements.

**MORGAN COUNTY PUBLIC SCHOOLS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For the Year Ended June 30, 2012

<u>Program Title</u>	<u>Munis No.</u>	<u>Federal CFDA No.</u>	<u>Expenditures</u>	<u>Total By CFDA No.</u>	
		<i>Cluster</i>			
<b>U. S. DEPARTMENT OF AGRICULTURE</b>					
<i>Passed Through Kentucky Department of Education:</i>					
School Breakfast Program	203X	10.553	\$ 303,261.00		
National School Lunch Program	205X	10.555	605,670		
Summer Food Service Program for Children	209X	10.559	18,010	\$ 926,941	**
<i>Passed Through Kentucky Department of Agriculture:</i>					
Commodity Supplemental Food Program	201X	10.565	66,413	66,413	
Fresh Fruit and Vegetable Program	215X	10.582	10,587	10,587	
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>				1,003,941	
<b>U. S. DEPARTMENT OF EDUCATION</b>					
<i>Passed Through Kentucky Department of Education:</i>					
Community Based Work Transition	3711	84.002	4,269		
Community Based Work Transition	3712	84.002	3,510	7,779	
Title I: Part A - Improving Basic Programs	3101	84.010	333,465		
Title I: Part A - Improving Basic Programs	3102	84.010	811,120		
Title I: Part A - School Improvement	3200	84.010	17,900		
Title I: Part A - School Improvement	3201	84.010	66,458		
Title I: Part A - School Improvement	3202	84.010	238		
ARRA - Title I - LEA	3919	84.389	25,975	1,255,156	
Title I - Neglected and Delinquent Children	3132	84.013	23,066		
Title I - Neglected and Delinquent Children Transition Funds	3132T	84.013	2,307	25,373	
IDEA B - BASIC	3371	84.027	355,639		
IDEA B - BASIC	3372	84.027	95,203		
IDEA B - Preschool	3430	84.173	1,633		
IDEA B - Preschool	3431	84.173	19,228		
ARRA - IDEA B - Preschool	4239	84.391	6,869		
ARRA - IDEA B - LEA	4249	84.391	24,916	503,488	
Carl Perkins, Title I: Part C - Vocational (Carry forward)	3480A	84.048	610		
Carl Perkins, Title I: Part C - Vocational (Carry forward)	3481A	84.048	838		
Carl Perkins, Title I: Part C - Vocational	3482	84.048	17,153	18,601	
21st Century Community Learning Center	5500	84.287	10,212		
21st Century Community Learning Center	5501	84.287	64,584		
21st Century Community Learning Center - Supplemental	5501J	84.287	3,817		
21st Century Community Learning Center	5500Q	84.287	2,000		
21st Century Community Learning Center - LEA	5500Z	84.287	18,554	99,167	
Title II - Federal Education Technology (NCLB)	4251	84.318	115		
ARRA - Enhancing Education Through Technology	4850	84.318	1,159	1,274	
Title VI: Part B, Subpart 2 - Rural & Low Income Schools	3501	84.358	41,923	41,923	

See Accompanying Notes to Schedule of Expenditures of Federal Awards.

**MORGAN COUNTY PUBLIC SCHOOLS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For the Year Ended June 30, 2012

Title II: Part A - Improving Teacher Quality State Grants	4011	84.367	117,392		
Title II: Part A - Improving Teacher Quality State Grants	4012	84.367	159,000	276,392	**
ARRA - Title I - School Improvement Grant - LEA Year 1	5600A	84.388	32,969		
ARRA - Title I - School Improvement Grant - LEA Year 2	5600B	84.388	26,940	59,909	
Education Jobs Fund Program	4411	84.410	377,500	377,500	**
<i>Passed through Institute of Regional Analysis Public Policy</i>					
GEAR-UP	3791G	84.334	2,498		
GEAR-UP	3792G	84.334	68,361	70,859	
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>				<u>2,737,421</u>	
<b>U. S. DEPARTMENT OF COMMERCE</b>					
<i>Passed through NOAA</i>					
PRIDE Grant	2722	11.469	1,075	1,075	
<b>U. S. DEPARTMENT OF JUSTICE</b>					
<i>Passed through The Center For Rural Development</i>					
U.N.I.T.E.	3001	16.580	9,428	9,428	
<b>CORP FOR NATIONAL &amp; COMMUNITY SERVICE</b>					
Service Learning Grant	6751	94.004	402	402	
<b>APPALACHIAN REGIONAL COMMISSION</b>					
<i>Passed through Morehead State University</i>					
ARC Flex-E Grant Brushy Fork Institute	4701	23.011	8,322		
Appalachian Higher Education Network (KY AHED)	6881	23.011	1,290	9,612	
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>				<u>\$ 3,761,879</u>	
<i>Tested as Major Program or Cluster</i> **					